Case study : Food Traceability
Deploying traceability for native producers in Peru

In the global world in which we work, traceability and best practices are key issues to developing value-added services and helping companies both large and small be more competitive. This is particularly true in Peru, which is signing free trade agreements with many economies around the world, making competitiveness a key element to sales success. Peru is experiencing an export "boom:" total exports increased more than 30% per year between 2001 and 2007.

The social and economic role of SMEs in Peru is very important; indeed, they represent 46% of GDP, 70% of employment and 98% of total enterprises. Yet, according to local statistics, small and medium sized Peruvian companies often have low productivity and suffer from information and technology gaps and infrastructure inequalities. This, in turn, leads to problems with competitiveness.

To help combat this problem, GS1 Peru strives to develop solutions adapted to SMEs. For example, in the second half of 2007, GS1 Peru oversaw a project and provided technical assistance to an association called BioAquipa (previously Ecolife). This association groups 615 aromatic herb producers, in the region of Arequipa, in the southern portion of the country. These herb producers live and work some 3000 to 4000 metres about sea-level, producing 300 tons of herbs such as thyme, rosemary, mint, oregano and others for export to Europe.

> The role of SMEs in Peru is very important, so
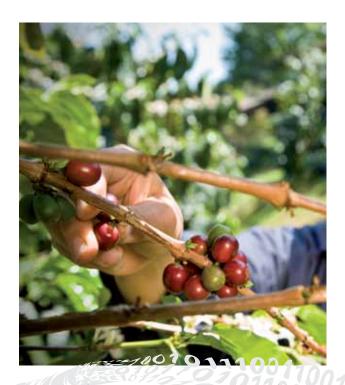> GS1 Peru develops solutions adapted to them.

GS1 Peru helped this group to identify the strengths, weaknesses, opportunities and threats behind implementing traceability best practices using global standards. GS1 Peru then helped establish a traceability process map for the aromatic herbs supply chain, including points of control, registries of information and responsibilities; as well as a set of traceability templates and guidelines for each point of their supply chain. GS1 Peru also oversaw the training of the growers and producers, not only on traceability processes, agricultural best practices and standards concepts but also on using the traceability templates.

> ## 50% increase in exports in 2011 as a result of the traceability process implemented with GS1

The main benefit was certainly the 80% time savings seen when retrieving upstream batch information. Furthermore, in 2008, the system passed a critical test with flying colours when a European client's quality control laboratory identified a problem that caused the export process to be halted.

With this information, the client investigated further at their end and found that the source of contamination was caused by their own quality control laboratory. This concrete business case boosted the sense of trust the client felt towards the producers, leading to a renewal of their commercial agreement to 2013.

A recall case of oregano export in 2011 further demonstrated the benefits for BioAquipa of the traceability process set up with GS1 Peru. In a container received by a client, the produce was found to be contaminated by mould. Such contamination is uncommon but could sometimes happen due to changes in humidity and long distance transportation. However, thanks to the traceability process in place, the team identified the exact contaminated batch of 36kg, saving the rest of the container - which was 5.4 tons worth of herbs.

Thanks to the traceability process implemented with GS1, BioAquipa has been able to provide lot identification and real-time visibility to its clients., and thus benefit from an increase in sales, with exports to Europe rising by 50% in 2011.

Immediately, teams in Peru carried out their own analyses, testing all the processes along the exact path that the flagged batch had travelled. Using the standardised traceability registries filled in at each point of the supply chain, they quickly ruled out the possibility of any local contamination.

Contact Information :

- Interested in learning more about this case? Contact GS1 Peru : **gs1pe@gs1pe.org.pe**

- Interested in the GS1 Global Traceability solution? Contact your local GS1 Member Organisation at **www.gs1.org/contact** or look up **www.gs1.org/traceability**

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